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United States Senate

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Senator Daniel K. Inouye Hart Building 722 Washington, DC 20510

Senator Jay Rockefeller Hart Building 531 Washington, DC 20510

Dear Senator Inouye and Senator Rockefeller,

The proposed merger between US Airways and Delta Airlines, coupled with a possible merger between United Airlines and Continental Airlines, makes it essential that the Senate Commerce Committee schedule an early hearing on these urgent matters.

As you may know, in 1974, prior to airline deregulation, there were 10 network carriers operating in the United States. Approval of the mergers mentioned above would reduce that number to four, and would likely place pressure on American Airlines and Northwest Airlines to consolidate their operations. This is not a healthy trend, as I believe these consolidations and mergers reduce competition and inevitably injure consumers.

Those of us who come from rural areas have been especially hard hit. The major carriers have increasingly retreated into the largest hubs which they dominate and they have, to the extent they have been forced to do so, reduced rates only in those major city pairs where they face competition.

In the remaining part of America, and in most rural areas, there is less competition and the airlines have created pricing schemes that penalize travelers. In fact, it is not unusual to pay triple the price to fly half as far if you originate in a rural state without any competition.

The airlines talk about eliminating duplicative overhead costs and achieving other efficiencies. However, really that is just another way of saying that they want to eliminate what little competition currently exists. Any remaining competition will only be obliterated by this potential new wave of mergers.

I hope the Commerce Committee will hold hearings early next year on the issue of airline mergers, with the intent of closely examining the impact that these proposed mergers would have on the state of airline competition, consumer air fares, rural air service, and labor.

I know that both of you care deeply about these issues and I appreciate your leadership on issues of concern to the airline industry. I look forward to working closely with you in the next Congress on this, and other, important aviation concerns.

Sincerely,

Byron L. Dorgan United States Senator

Hunk you!